



**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**with**

**Independent Auditors' Report**

---

# INTERNATIONAL CHILDREN'S CARE, INC.

## Table of Contents

---

	<b>Page</b>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	8

## **Independent Auditors' Report**

The Board of Trustees  
International Children's Care, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of International Children's Care, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Children's Care, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of a Matter

As discussed in *Note 1* to the financial statements, International Children's Care, Inc. has adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

## Report on Summarized Comparative Information

We have previously audited International Children's Care, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hellman, Stewart & Schmiel, P.C.*

Lake Oswego, Oregon  
April 25, 2019

INTERNATIONAL CHILDREN'S CARE, INC.

Statement of Financial Position

<b>December 31, 2018</b> <i>(With Comparative Amounts for 2017)</i>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,039,696	\$ 1,231,175
Investments	231,094	46,501
Contributions receivable	570,300	59,502
Receivable from charitable trusts	68,185	76,885
Receivable from charitable gift annuities	154,966	190,439
Prepaid expenses and other current assets	34,629	37,493
Property and equipment - net	148,478	154,763
<b>Total assets</b>	<b><u>\$ 2,247,348</u></b>	<b><u>\$ 1,796,758</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 20,523	\$ 11,204
Accrued vacation	67,127	62,734
<b>Total liabilities</b>	<b>87,650</b>	<b>73,938</b>
<b>Net assets:</b>		
Without donor restrictions	1,412,306	861,569
With donor restrictions	747,392	861,251
<b>Total net assets</b>	<b><u>2,159,698</u></b>	<b><u>1,722,820</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,247,348</u></b>	<b><u>\$ 1,796,758</u></b>

*The accompanying notes are an integral part of the financial statements.*

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Activities**

**Year Ended December 31, 2018** *(With Comparative Totals for 2017)*

	Without Donor Restrictions	With Donor Restrictions	Total	
			2018	2017
<b>Revenue and support:</b>				
Contributions	\$ 4,129,273	\$ 36,877	\$ 4,166,150	\$ 5,810,001
In-kind contributions	12,166	-	12,166	34,417
Net assets released from restrictions	120,861	(120,861)	-	-
<b>Net revenue and support</b>	<b>4,262,300</b>	<b>(83,984)</b>	<b>4,178,316</b>	<b>5,844,418</b>
<b>Expenses:</b>				
Program services	3,411,488	-	3,411,488	3,765,702
Management and general	160,985	-	160,985	153,794
Fundraising	144,982	-	144,982	155,219
<b>Total expenses</b>	<b>3,717,455</b>	<b>-</b>	<b>3,717,455</b>	<b>4,074,715</b>
<b>Income (loss) from operations</b>	<b>544,845</b>	<b>(83,984)</b>	<b>460,861</b>	<b>1,769,703</b>
<b>Non-operating activities:</b>				
Contribution of a gift annuity	-	-	-	8,737
Change in value of receivable from:				
Charitable trusts	-	(8,700)	(8,700)	2,261
Charitable gift annuities	-	(21,175)	(21,175)	(3,454)
Interest and dividends	1,525	-	1,525	681
Unrealized and realized gains on investments	1,167	-	1,167	8,264
Gain from sale of equipment	3,200	-	3,200	-
<b>Net non-operating activities</b>	<b>5,892</b>	<b>(29,875)</b>	<b>(23,983)</b>	<b>16,489</b>
<b>Increase (decrease) in net assets</b>	<b>550,737</b>	<b>(113,859)</b>	<b>436,878</b>	<b>1,786,192</b>
Net assets (deficit), beginning of year	861,569	861,251	1,722,820	(63,372)
<b>Net assets, end of year</b>	<b>\$ 1,412,306</b>	<b>\$ 747,392</b>	<b>\$ 2,159,698</b>	<b>\$ 1,722,820</b>

*The accompanying notes are an integral part of the financial statements.*

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2018** *(With Comparative Totals for 2017)*

	Program Services	Management and General	Fundraising	Total	
				2018	2017
Grants and allocations	\$ 2,518,284	\$ -	\$ -	\$ 2,518,284	\$ 2,906,706
Salaries and wages	604,679	75,454	58,463	738,596	715,962
Payroll taxes	48,967	6,110	4,735	59,812	58,621
Employee benefits	100,893	12,590	9,755	123,238	122,152
Professional fees	1,625	18,144	16,500	36,269	30,633
Supplies	18,543	2,314	1,793	22,650	10,475
Telephone	9,212	1,150	890	11,252	10,601
Postage and shipping	10,359	2,590	4,316	17,265	16,082
Occupancy	9,872	5,347	5,347	20,566	20,434
Equipment rental and maintenance	6,907	3,741	3,742	14,390	16,046
Printing and publications	27,392	6,848	11,414	45,654	43,607
Travel	6,967	924	742	8,633	2,655
Conferences and meetings	272	36	29	337	456
Interest	-	-	-	-	34,621
Depreciation	7,287	3,947	3,947	15,181	13,833
Foreign development	-	-	1,519	1,519	20,056
Other	40,229	21,790	21,790	83,809	51,775
	<b>\$ 3,411,488</b>	<b>\$ 160,985</b>	<b>\$ 144,982</b>	<b>\$ 3,717,455</b>	<b>\$ 4,074,715</b>

*The accompanying notes are an integral part of the financial statements.*

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Cash Flows**

<b>Year Ended December 31, 2018 (With Comparative Totals for 2017)</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Cash receipts:		
Contributions	\$ 3,667,213	\$ 5,392,257
Interest and dividends	1,525	681
Cash paid:		
Grantees, suppliers, and employees	<u>(3,673,532)</u>	<u>(3,996,787)</u>
<b>Net cash provided (used) by operating activities</b>	<b>(4,794)</b>	<b>1,396,151</b>
<b>Cash flows from investing activities:</b>		
Purchases of equipment	(8,896)	(14,229)
Proceeds from sale of equipment	3,200	-
Purchases of investments	(200,989)	-
Proceeds from sale of investments	<u>20,000</u>	<u>9,000</u>
<b>Net cash used by investing activities</b>	<b>(186,685)</b>	<b>(5,229)</b>
<b>Cash flows from financing activities:</b>		
Payments on note payable	<u>-</u>	<u>(900,000)</u>
<b>Net cash used by financing activities</b>	<u>-</u>	<u>(900,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(191,479)</b>	<b>490,922</b>
Cash and cash equivalents, beginning of year	<u>1,231,175</u>	<u>740,253</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 1,039,696</u></b>	<b><u>\$ 1,231,175</u></b>

*The accompanying notes are an integral part of the financial statements.*



**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Cash Flows - Continued**

<b>Year Ended December 31, 2018</b> <i>(With Comparative Totals for 2017)</i>	<b>2018</b>	<b>2017</b>
<b>Reconciliation of increase in net assets to net cash provided (used) by operating activities:</b>		
Increase in net assets	\$ 436,878	\$ 1,786,192
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	15,181	13,833
Change in value of receivable from:		
Charitable trusts	8,700	(2,261)
Charitable gift annuities	21,175	3,454
Unrealized and realized gains on investments	(1,167)	(8,264)
Gain from sale of equipment	(3,200)	-
Contribution of investments	(2,437)	(27,221)
Distribution from a charitable gift annuity	14,298	-
Contribution of charitable gift annuities	-	(8,737)
Note payable and accrued interest forgiven by lender	-	(469,229)
Change in operating assets and liabilities:		
Contributions receivable	(510,798)	78,706
Prepaid expenses and other current assets	2,864	(2,402)
Accounts payable and accrued liabilities	9,319	(719)
Accrued vacation	4,393	(1,822)
Accrued interest	-	34,621
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (4,794)</u></b>	<b><u>\$ 1,396,151</u></b>

*The accompanying notes are an integral part of the financial statements.*

# INTERNATIONAL CHILDREN'S CARE, INC.

## Notes to Financial Statements

---

### 1. Significant Accounting Policies

**Nature of Activities** - International Children's Care, Inc. (ICC) is a private relief and development organization. ICC was established for the specific purpose of giving high-quality care for needy children. ICC supports orphanages and schools in foreign countries. Presently, ICC's involvement is most prevalent in the following countries:

Congo	India
Dominican Republic	Mexico
El Salvador	Nicaragua
Ghana	Romania
Guatemala	Zambia

ICC receives substantially all of its revenue from contributions. Fundraising efforts take place in the United States and abroad.

**Basis of Accounting** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Basis of Presentation** - Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of ICC and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will be met either by actions of ICC and/or the passage of time.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the financial statements for, among other things, the valuation of receivables from a charitable trust and gift annuities, the calculation of depreciation expense, and the functional allocation of certain expenses.

# INTERNATIONAL CHILDREN'S CARE, INC.

## Notes to Financial Statements - Continued

### 1. Significant Accounting Policies - Continued

**Cash Equivalents** - ICC considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. ICC maintains its cash balances in various financial institutions in Vancouver, Washington.

**Investments** - Investments are stated at fair value as determined by quoted prices in active markets.

**Property and Equipment and Depreciation** - Property and equipment is recorded at cost at date of purchase or estimated fair value at date of donation. Small equipment purchases of \$1,000 or less are charged to expense. Depreciation of property and equipment has been computed using the straight-line method over the following estimated useful lives:

Building	31.5 years
Furniture and fixtures	10 years
Equipment	3 - 10 years

**Financial Instruments with Concentrations of Credit Risk** - Financial instruments that potentially subject ICC to concentrations of credit risk consist primarily of cash equivalents and investments. At December 31, 2018, and often during this year, cash and cash equivalents include bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term and such changes could materially affect the market value reported in the financial statements.

**Fair Value Measurements** - Accounting standards pertaining to fair value measurements establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. ICC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ICC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets ICC has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs, other than quoted prices observable for the asset.
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* - Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

## INTERNATIONAL CHILDREN'S CARE, INC.

### Notes to Financial Statements - Continued

---

#### 1. Significant Accounting Policies - Continued

**Revenue Recognition** - Contributions, which include unconditional promises to give (contributions receivable), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

ICC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ICC reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In absence of explicit donor stipulations about how long those long-lived assets must be maintained, ICC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions with donor restrictions are classified as net assets without donor restrictions when the restriction is met in the same fiscal year the contribution is received.

**In-Kind Contributions** - ICC recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated services have not been reflected in the accompanying financial statements since the appropriate criteria for recording these services has not been met. Nevertheless, a substantial number of volunteers have donated significant amounts of their time to ICC's program services and its fundraising campaigns.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions. In-kind contributions recognized are items that ICC will use for administrative or program purposes, and which ICC would otherwise need to purchase. During the year ended December 31, 2018, ICC recognized in-kind contributions of \$12,166 consisting mostly of donated supplies for ICC's program services.

## INTERNATIONAL CHILDREN'S CARE, INC.

### Notes to Financial Statements - Continued

---

#### 1. Significant Accounting Policies - Continued

**Income Taxes** - Income taxes are not provided for in the financial statements since ICC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and similar state provisions. ICC is not classified as a private foundation.

GAAP prescribes a recognition threshold and a measurement process for accounting for uncertain tax positions, and also provides guidance on various related matters such as interest, penalties, and required disclosures. Management believes ICC does not have any uncertain tax positions. ICC files informational returns. Generally, these returns are subject to examination by Federal or state tax authorities for a period of three years from the filing of the return. There are currently no examinations in progress for any tax periods. Interest or penalties assessed by taxing authorities, if any, would be included with management and general expenses.

**Advertising** - Advertising costs are charged to expense as incurred. Advertising and promotional expense for the year ended December 31, 2018, totaled \$30,298.

**Functional Allocation of Expenses** - Costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most natural expenses are attributable to more than one functional expense category and are allocated using a variety of cost allocation methods such as estimates of time and effort and square footage.

**Summarized Financial Information for 2017** - The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with ICC's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**Subsequent Events** - Management has evaluated subsequent events through April 25, 2019, the date the financial statements were available for issue.

**New Accounting Standard** - In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ICC implemented ASU 2016-14 during the year ended December 31, 2018, and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

## INTERNATIONAL CHILDREN'S CARE, INC.

### Notes to Financial Statements - Continued

#### 2. Program and Supporting Services

**Program Services** - ICC supports the operations of orphanages and schools in several foreign countries, including providing financial support for the day-to-day operations of the orphanages and schools, acquiring land and buildings for new orphanages, and arranging adoptions of children in the orphanages.

**Management and General** - Management and general activities include business management, recordkeeping, budgeting, financing, and related administrative activities. These services provide the necessary developmental, organizational, and management support for the effective operation of programs.

**Fundraising** - Fundraising activities include conducting fundraising campaigns, preparing and distributing fundraising materials, and conducting other activities involving soliciting contributions from individuals, foundations, and others.

#### 3. Liquidity and Availability of Resources

ICC's financial assets available within one year for general expenditures are as follows at December 31:

	2018	2017
Cash and cash equivalents	\$ 1,039,696	\$ 1,231,175
Investments	231,094	46,501
Contributions receivable	<u>570,300</u>	<u>59,502</u>
Total financial assets available within one year	1,841,090	1,337,178
Less amounts unavailable for general expenditures within one year due to donor-stipulated purpose restrictions	<u>(524,241)</u>	<u>(593,927)</u>
Total financial assets available for general expenditures within one year	<u>\$ 1,316,849</u>	<u>\$ 743,251</u>

ICC maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets in excess of daily cash requirements are invested in a money market fund, which is a short-term investment.

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

---

**4. Investments**

	<b>2018</b>	<b>2017</b>
Money market fund	\$ 205,285	\$ 753
Common stock	<u>25,809</u>	<u>45,748</u>
	<u><u>\$ 231,094</u></u>	<u><u>\$ 46,501</u></u>

**5. Contributions Receivable**

Contributions receivable represent the following at December 31:

	<b>2018</b>	<b>2017</b>
Estates receivable	\$ 534,384	\$ -
Year-end gifts	<u>35,916</u>	<u>59,502</u>
	<u><u>\$ 570,300</u></u>	<u><u>\$ 59,502</u></u>

Contributions receivable are all expected to be collected within one year.

**6. Receivable from Charitable Trusts**

ICC has a remainder interest in two irrevocable charitable remainder unitrusts. The terms of the trusts provide ICC with the trust value (or percentage thereof) upon the death of lifetime beneficiaries. ICC's interest has been recorded at the present value of the estimated fair value of assets to be received in the future.

**7. Receivable from Charitable Gift Annuities**

ICC has a beneficial interest in 13 charitable gift annuities. The annuities are being administered by North Pacific Union Conference Association of the Seventh-day Adventists and Western Adventist Foundation. The annuities have been recorded at their estimated fair values, based on the terms of each specific annuity.

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

---

**8. Property and Equipment**

	<b>2018</b>	<b>2017</b>
Land	\$ 95,000	\$ 95,000
Buildings	401,215	401,567
Furniture and fixtures	13,681	14,139
Equipment	<u>133,644</u>	<u>124,974</u>
	643,540	635,680
Less accumulated depreciation	<u>(495,062)</u>	<u>(480,917)</u>
	<u>\$ 148,478</u>	<u>\$ 154,763</u>

**9. Commitments and Rent Expense**

ICC leases certain equipment under operating leases expiring through July 2023. Future minimum lease payments under operating leases are as follows:

<b>Years Ending December 31,</b>	<b>Amount</b>
2019	\$ 15,784
2020	15,784
2021	14,354
2022	7,200
2023	<u>3,600</u>
	<u>\$ 56,722</u>

Rent expense during the year ended December 31, 2018, totaled \$13,581.



**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

**10. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted as follows at December 31:

	<b>2018</b>	<b>2017</b>
Subject to expenditure for specified purpose:		
Congo Project	\$ 19,997	\$ 5,312
Development projects	227,943	205,915
Dominican Project	72,992	129,011
Education	8,595	12,337
El Salvador	110,362	122,662
Guatemala Los Pinos and ICAP Projects	58,498	86,093
India Project	3,515	3,350
Mexico Project	21,789	27,597
Nicaragua Project	-	1,000
Other countries	550	650
	524,241	593,927
Subject to the passage of time:		
Receivable from charitable trusts	68,185	76,885
Receivable from charitable gift annuities	154,966	190,439
	\$ 747,392	\$ 861,251

During the year ended December 31, 2018, net assets totaling \$120,861 were released from donor restrictions by the occurrence of specific events and the passage of time.

**11. Joint Costs of Activities Including a Fundraising Appeal**

ICC conducts campaigns to distribute information about orphaned children in foreign countries and to appeal for funds. Joint costs, consisting of postage and shipping and printing and publication costs, were allocated as follows:

	<b>2018</b>	<b>2017</b>
Program services	\$ 37,751	\$ 36,821
Management and general	9,438	9,206
Fundraising	15,730	15,342
	\$ 62,919	\$ 61,369

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

**12. Tax-Deferred Annuity Plan**

ICC has a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the IRC. The Plan is available to all full-time employees of ICC who may make contributions to the Plan up to the maximum amount allowed by the IRC. ICC made discretionary contributions to the Plan totaling \$11,512 in 2018.

**13. Fair Value Measurements**

The following table sets forth by level, within the fair value hierarchy, ICC's assets measured at fair value on a recurring basis as of December 31, 2018:

	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Unobservable Inputs (Level 3)</b>	<b>Total</b>
Money market fund	\$ 205,285	\$ -	\$ 205,285
Common stock	25,809	-	25,809
Receivable from charitable trusts	-	68,185	68,185
Receivable from charitable gift annuities	-	154,966	154,966
	<u>\$ 231,094</u>	<u>\$ 223,151</u>	<u>\$ 454,245</u>

Fair value for both the receivable from charitable trusts and receivable from charitable gift annuities is based on the present value of future cash receipts. The present value of future cash receipts is based on the market value of the underlying assets less the estimated present value of future payments to beneficiaries. Both inputs are provided by the trustees of the trusts and charitable gift annuities and are not observable by ICC.

A summary of changes in ICC's Level 3 assets for the year ended December 31, 2018, is as follows:

	<b>Receivable from Charitable Trusts</b>	<b>Receivable from Charitable Gift Annuities</b>	<b>Total</b>
Balance, beginning of year	\$ 76,885	\$ 190,439	\$ 267,324
Distribution	-	(14,298)	(14,298)
Change in value	<u>(8,700)</u>	<u>(21,175)</u>	<u>(29,875)</u>
Balance, end of year	<u>\$ 68,185</u>	<u>\$ 154,966</u>	<u>\$ 223,151</u>